Supreme Court, U.S.
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No. 01-1787

IN THE

Supreme Court of the United States

SIMPLE TECHNOLOGY, INC.,

Petitioner,

v.

DENSE-PAC MICROSYSTEMS, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

Whether a grant of certiorari, vacatur, and remand in light of *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. __ (May 28, 2002) is appropriate in the circumstances of this case, where petitioner waived its claim of infringement under the doctrine of equivalents, clearly and unequivocally, before the United States Court of Appeals for the Federal Circuit.

CORPORATE DISCLOSURE STATEMENT

Respondent Dense-Pac Microsystems, Inc., now known as DPAC Technologies Corp., is a publicly traded corporation. No parent or publicly held company owns 10% or more of its stock.

RESPONDENT'S BRIEF IN OPPOSITION

The petition for certiorari should be denied. Petitioner clearly and unequivocally waived its claim of infringement under the doctrine of equivalents in oral argument before the Court of Appeals. Petitioner's strategic waiver of this aspect of its infringement claim induced the Court of Appeals to decide this case without reaching either of the two doctrine-of-equivalents-related arguments offered by Dense-Pac in support of affirmance. The *Festo* issue on which petitioner now seeks review was only one of those two arguments; had petitioner not expressly waived reliance on the doctrine of equivalents, the Court of Appeals might well have grounded affirmance upon the non-*Festo* ground.

But because the Court of Appeals' decision was unquestionably based on petitioner's waiver, there is no reasonable probability that the decision below rests upon the Court of Appeals' prior decision in *Festo*, and therefore no possibility that the Federal Circuit's summary affirmance would in any way be altered in light of this Court's decision in *Festo*.

STATEMENT OF THE CASE

1. Petitioner SimpleTech ("Simple") is the owner of U.S. Patent No. Re. 36,916 ("the '916 patent"), entitled "Apparatus for Stacking Semiconductor Chips." The '916 patent is a reissue of Simple's U.S. Patent No. 5,514,907 ("the '907 patent"). During prosecution of the application that led to the '907 patent, the Patent and Trademark Office examiner rejected claims 7-15 of that application as obvious under 35 U.S.C. § 103. Pet. App. 14. In response, Simple amended those claims to overcome this obviousness rejection by narrowing the original claims' requirement of a "side board" to require a "*planar* side board." The '907 patent issued to Simple on May 7, 1996. Simple then filed a reissue application on April 22, 1998, and eventually obtained a reissue of the '907 patent — the '916 patent — on October 17, 2000. Pet. App. 20-21.

2. On September 28, 1998, petitioner sued respondent Dense-Pac Microsystems, Inc. ("Dense-Pac") for infringe-

ment of one of those narrowed claims, claim 12 of the '907 patent; once the PTO granted Simple's reissue application, claim 12 of the '916 patent (which did not alter the substance of claim 12) was substituted into the case in place of claim 12 of the '907 patent.

3. In April and May 1999, Simple and Dense-Pac filed cross-motions for summary judgment on infringement and other issues. Dense-Pac urged that it was entitled to summary judgment because, as properly construed, claim 12 did not literally cover Dense-Pac's accused products. C.A. App. A-116. With respect to infringement under the doctrine of equivalents, Dense-Pac urged that it was entitled to summary judgment because its accused products "do not have any equivalent structure to the structure required by the claim limitations," and because "both prosecution history estoppel and the scope and content of the prior art bar Simple from asserting [equivalence]." C.A. App. A-121. The district court decided those motions on February 7, 2001. Pet. App. 3. With respect to the infringement issues presented in those motions, the court denied Dense-Pac's motion for summary judgment of noninfringement, "except to the extent that it is granted as to literal infringement." Pet. App. 4. This ruling left only Dense-Pac's infringement-by-equivalents claim in the case.

4. Because the Federal Circuit had issued its *en banc* decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 234 F.3d 558 (Fed. Cir. 2000), after the parties' dispositive motions were filed, but before the district court's ruling, Dense-Pac brought a second summary-judgment motion which urged that Simple was barred from asserting its equivalents claim on the ground of prosecution-history estoppel under *Festo*. Pet. App. 6. The district court granted Dense-Pac's motion, holding that "under *Festo* [Simple] is completely barred from seeking infringement on the basis of the doctrine of equivalents on account of [Simple's] amendment narrowing the limitation." Pet. App. 9.

5. Simple appealed to the Court of Appeals for the Federal Circuit. Simple argued, *inter alia*, that the district

court had erred in denying its motion for summary judgment of literal infringement, and in granting Dense-Pac's motions for summary judgment of literal and equivalents noninfringement. Brief of Plaintiff-Appellant in No. 01-1310, *Simple Technology, Inc. v. Dense-Pac Microsystems, Inc.* ("Simple C.A. Br.") at 36, 42. With respect to its equivalents claim, Simple argued that it "does not dispute that under [the Federal Circuit's] decision in *Festo*, equivalents are not available." Simple C.A. Br. at 42. But, Simple's primary submission was that it was simply "unnecessary to resort to the doctrine of equivalents" in this case. Simple C.A. Br. at 42.

Dense-Pac's brief in opposition urged two alternative grounds for affirming the summary judgment of no infringement by equivalents. First, of course, Dense-Pac urged that the district court had correctly applied the Federal Circuit's decision in *Festo*. Brief of Defendant-Appellee in No. 01-1310, *Simple Technology, Inc. v. Dense-Pac Microsystems, Inc.* ("Dense-Pac C.A. Br.") at 36-38. Second, however, Dense-Pac also urged that the judgment of nonequivalence could be affirmed on an independent ground, wholly unrelated to *Festo* — because Simple's claim of infringement by equivalents would have rendered the structural limitations of the claim meaningless. Dense-Pac C.A. Br. at 38-42. As Dense-Pac wrote in its brief: "Even without the complete bar of *Festo,* claim 12 cannot be found to be infringed under the doctrine of equivalents without rend[er]ing meaningless the structural limitations of the claim." Dense-Pac C.A. Br. at 38.

6. On March 6, 2002, two months after this Court had heard argument in *Festo*, a panel of the Court of Appeals for the Federal Circuit (Lourie, Friedman, and Clevenger, JJ.) heard oral argument in this case. (Audiotape copies of the Federal Circuit's recording of this argument have been lodged with the Clerk of this Court.) At oral argument, petitioner's counsel made comments urging the panel that it was unnecessary for it to even reach the doctrine-of-equivalents issues presented in the briefs. In response, the

court asked petitioner's counsel point-blank whether he was waiving any claim under the doctrine of equivalents:

> THE COURT: But for our purposes in deciding the case, I mean there was a claim that you were entitled to equivalents under the doctrine of equivalents. Are you saying to us that you're waiving any claim under the doctrine of equivalents?
>
> Mr. RE: Correct.

Counsel for Simple similarly agreed with the panel's statement, at oral argument, that "[s]o when we write our opinion we can just say that we don't have to reach the question about whether or not *Festo* applies in this case."

The final colloquy between Simple's counsel and the Court of Appeals panel made Simple's waiver of its doctrine-of-equivalents claim absolutely clear:

> THE COURT: You are pitching to us a literal infringement case, period.
>
> Mr. RE: That's correct.
>
> THE COURT: O.K. Right.

7. On March 7, 2002, the day following oral argument, the Court of Appeals issued a summary affirmance pursuant to its Rule 36. Pet. App. 1-2. Simple did not petition the Court of Appeals for rehearing, or rehearing *en banc*.

REASONS FOR DENYING THE PETITION

In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. __ (May 28, 2002), this Court addressed the conditions under which prosecution-history estoppel bars a patent owner from resorting to the doctrine of equivalents where the patent applicant, during prosecution, narrows a claim limitation in order to obtain the patent. A primary (but not the only) legal limitation on the doctrine of equivalents is the principle of prosecution-history estoppel, which prohibits patent owners from obtaining, through litigation, coverage of subject matter they surrendered during prosecution. But neither the doctrine of equivalents, nor prosecution-history estoppel, nor *Festo*, plays any role

in this case, because petitioner expressly waived its equivalents claim — not just its *Festo*-related argument for reversal, but its entire doctrine-of-equivalents claim — during oral argument in front of the Court of Appeals. As a result of this waiver, the *Festo* issue presented by the petition was not pressed in, or passed upon by, the Court of Appeals, so the petition should be denied.

I. PETITIONER'S WAIVER OF ITS EQUIVALENTS CLAIM BEFORE THE COURT OF APPEALS PREVENTS IT FROM RAISING THE *FESTO* ISSUE BEFORE THIS COURT

Petitioner asks that the Court grant certiorari, vacate the judgment below, and remand ("GVR") in light of this Court's decision in *Festo*. Petitioner argues (Pet. at 5) that the Federal Circuit's decision in *Festo* was the "sole basis" for the judgment of the district court and the Court of Appeals in the present case. But that is untrue: Petitioner expressly waived *any* claim for relief under the doctrine of equivalents, and that waiver obviated any relevance that this Court's decision in *Festo* might have had to the Court of Appeals' decision.

During oral argument below, counsel for petitioner conceded that "the *Festo* issue I don't think is relevant at all" to the Court of Appeals' decision in the case. Petitioner's counsel, as well as the Court of Appeals, was certainly aware of this Court's pending decision in *Festo* and of the possibility that the Federal Circuit's prior ruling might be altered by this Court. That is why the panel asked petitioner's counsel if "you're saying to us that you're waiving any claim under the doctrine of equivalents?", to which petitioner's counsel responded with a clear and unequivocal "correct." The "complete bar" of the Federal Circuit's *Festo* decision was therefore not the "sole basis" for the Court of Appeals' decision here; indeed, Simple's waiver eliminated any controversy between the parties as to the doctrine of equivalents. Simple's clear and unequivocal waiver of its equivalents claim was necessarily the "sole basis" for the court's rejection of that claim.

Given petitioner's waiver, there is no basis for certiorari here. This Court denies certiorari when the question presented was "not pressed or passed upon below." *Duignan v. United States*, 274 U.S. 195, 200 (1927); *see also Izumi Seimitsu Kogyo Kabushiki Kaisha v. U.S. Philips Corp.*, 510 U.S. 27, 38 n.7 (1993) (per curiam). Here, Simple's waiver of its equivalents claim necessarily means that the *Festo*/prosecution-history-estoppel issue for which it now seeks GVR relief was neither "pressed" by Simple, nor was it "passed upon" by the Court of Appeals below. Under these circumstances, petitioner is precluded from now seeking to resurrect the *Festo* issue before this Court. *See, e.g., United States v. Ortiz*, 422 U.S. 891, 898 (1975) (declining to consider an argument which was not raised below and which was contrary to petitioner's representations to the Court of Appeals).

II. A GVR ORDER IS NOT APPROPRIATE IN VIEW OF PETITIONER'S WAIVER, SINCE THERE IS NO REASONABLE PROBABILITY THAT THE LOWER COURT'S DECISION WOULD BE DIFFERENT IN LIGHT OF THIS COURT'S DECISION IN *FESTO*

Petitioner urges (Pet. at 5) that GVR is appropriate here because the decision below "exemplifies the disruption of settled expectations caused by the now-overruled complete bar announced in [*Festo*]." If anything, it is petitioner's attempt to resurrect its waived infringement-by-equivalents claim that disrupts respondent's, and the courts', "settled expectations" in finality and repose.

As this Court has held, a GVR order is only appropriate where

> intervening developments, or recent developments that [this Court] ha[s] reason to believe the court below did not fully consider, reveal a reasonable probability that the decision below rests upon a premise that the lower court would reject if given the opportunity for further consideration, and where it appears that such a

> redetermination may determine the ultimate outcome of the litigation.

Lawrence v. Chater, 516 U.S. 163, 167 (1996). Petitioner must meet each of these three standards to demonstrate its entitlement to GVR relief, but it is clear that it cannot do so.

First, there is no "reason to believe the court below did not fully consider" any issue that is relevant here. As shown above, petitioner's unmistakable waiver of its equivalents claim, and its clear representation to the Court of Appeals that it was "pitching . . . a literal infringement case, period," demonstrates that the court below "fully consider[ed]" and properly rejected the only infringement issue that was pressed before it — Simple's literal infringement claim.

Second, the record here reveals no "reasonable probability that the decision below rests upon a premise that the lower court would reject if given the opportunity for further consideration." Both Simple and the Court of Appeals were acutely aware of the pendency of *Festo* in this Court, and the possibility that the Federal Circuit's "complete bar" might be altered. Yet, Simple chose to waive its claim of infringement under the doctrine of equivalents for strategic reasons. Under those circumstances, the Court of Appeals would unquestionably hold Simple to its waiver.

Third, it does not in any way "appear[] that such a redetermination may determine the ultimate outcome of the litigation." Quite the contrary: Not only was Simple's waiver of its claim of equivalents infringement sufficient to obviate any effect that this Court's decision in *Festo* might have had on this case; but also, the Court of Appeals' decision to affirm the district court's judgment with a summary "*AFFIRMED. See* Fed. Cir. R. 36" (Pet. App. at 1-2) indicates that there were no issues even worthy of discussion.

Finally, it is worth remembering that whether a GVR order is ultimately appropriate depends "on the equities of the case: If it appears that the intervening development, such as a confession of error in some, but not all, aspects of

the decision below, is part of an unfair or manipulative litigation strategy, or if the delay and further cost entailed in a remand are not justified by the potential benefits of further consideration by the lower court, a GVR order is inappropriate." *Lawrence*, 516 U.S. at 168. Here, petitioner manipulated the Court of Appeals into avoiding the merits of its entire doctrine-of-equivalents claim, which prevented that court from considering the *Festo* issue on its merits, *and* prevented the Court from reaching Dense-Pac's non-*Festo*-based argument for affirming the district court's holding of nonequivalence.

Perhaps petitioner's waiver strategy was to prevent the Court of Appeals from rejecting its equivalents case on a non-*Festo* ground. But that should not matter, because petitioner unquestionably waived that claim — not just its present *Festo* argument, but its entire equivalents claim — in the court below, with full knowledge of the consequences of that waiver. Should petitioner in its reply brief seek to escape the consequence of its strategic decision to waive that claim in the Court of Appeals, that would surely confirm petitioner's "unfair or manipulative litigation strategy." Here, as this Court noted in *Lawrence,* the "delay and further cost entailed in a remand" would be wholly unjustifiable in view of the inequitable goals of the petition. Such gamesmanship should not be countenanced by this Court.

CONCLUSION

For the foregoing reasons, the petition for certiorari should be denied.

Respectfully submitted,

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